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SUBJECT: SADC COUNCIL OF MINISTERS MEETING: MEDIA BRIEFING

1. Summary: The Lesotho Minister of Finance and Development Planning, Timothy Thahane, in his capacity as Chairman of the Council of Ministers of the Southern African Development Community (SADC), held a media briefing on March 22 after the conclusion of the Council meeting held in Maseru. The briefing focused on progress being made in the important area of regional economic integration. The Minister indicated that SADC is swiftly marching towards the first of its milestones in deeper regional economic integration, namely the Free Trade Area (FTA) in 2008, which will soon be followed by the Customs Union (CU) in 2010, the Common Market (CM) in 2015, and the Monetary Union (MU) in 2016. Cooperation with development partners was also touched upon. End Summary.

¶2. Thahane noted progress in implementation of the decisions of the SADC Extraordinary Summit Meeting of October 23, 2006 regarding the Free Trade Area, including an audit of gazetted tariff reduction schedules by member states which commenced in February 2007 and is expected to be completed by the end of April 2007. Ministers noted that plans are advanced to undertake studies on a Customs Union model and compatibility of national trade policies. In addition a Customs Union Roadmap is being finalized.

¶3. The Council of Ministers, according to Thahane, also considered the following SADC issues:

a) SADC financial statements for the fiscal year ended 31 March 2007, including management accounts for the current fiscal year (2006/2007) and financial estimates for the 2007/2008 fiscal year. In this respect, according to Thahane, the Ministers noted a favorable audit opinion and approved the Secretariat budget for the year 2007/2008 in the amount of US\$45.3 million.

b) Regarding the design, financing, and construction of new SADC Headquarters, Thahane pointed out that the detailed physical design has been completed, while the financial arrangements are soon to be concluded with suppliers. The Headquarters, which will house 250 personnel, is expected to cost SADC US\$25 million, which will be amortized over 15 years through Member States contributions.

c) Cooperation with the European Union, particularly on regional economic integration. The Minister indicated that the European Commission will make available to SADC 135 million under a joint regional indicative program to support regional economic integration.

d) In regards to progress on the Conference on Poverty and Development, the Ministers noted that the Conference themes have already been identified, while the Southern Africa Trust (SAT) has committed human and financial resources towards the preparation for the Conference.

¶4. Thahane stated that the Council of Ministers had also considered an update on the regional food situation and the

impact of drought in Member States. The Ministers urged member states that are likely to suffer food deficits to undertake food situation assessments quickly and to prepare for importation of food.

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